

FirstCaribbean International Bank Limited

Condensed Consolidated Financial Statements

For the Third Quarter ended July 31, 2006 (expressed in thousands of United States dollars)



FIRST CARIBBEAN
INTERNATIONAL BANK

Chairman's Review

The Group continues to perform consistently with expectations, delivering another strong performance for this quarter with net income of \$42.6 million. Net income for the nine-month period amounted to \$128.3 million, which, excluding the gain on the sale of the Republic Bank shares of \$117 million reported last year, reflects an increase in earnings of 23% year-on-year.

In accordance with IFRS 3 (Business Combinations) and IAS 38 (Intangible Assets), the Bank is required to assess the fair value of any intangible assets arising from acquisitions and their economic lives. During the quarter, the Group concluded its assessment of these assets with respect to the acquisition of the ABN AMRO Offshore and Wealth Management business in Curaçao, completed in the previous quarter. This assessment resulted in the identification of specific intangible assets related to customer relationships, with a remaining estimated economic life of six years. The impact of this assessment resulted in a year-to-date amortisation charge on intangible assets of \$1.5 million.

Total revenue increased by \$49 million (15%), excluding the gain on the sale of the Republic Bank shares with net interest income being the main driver. Net Interest income has risen by \$37.5 million or 16% over the prior year, despite the increase in costs of our subordinated debt of \$5 million (which was issued in March 2005 to replace our preference shares), driven principally by increases in loan balances.

Loan balances have grown by \$1 billion (22%) over the prior year and now stand at \$5.4 billion.

Operating expenses were 7.6% above the prior year, due in part to the recent acquisition in Curaçao. Our efficiency ratio (ratio of costs to revenues) was 57.4%, a marked improvement over the prior year of 61.4%, reflecting our continued efforts to improve productivity and manage growth in an effective and efficient manner.

Annualised return on equity for the period was 21.7%.

On June 28, 2006, Barclays and CIBC executed a purchase and sale agreement with respect to the sale by Barclays of its 43.7% interest in FirstCaribbean. FirstCaribbean is currently working with Regulatory bodies to obtain all required approvals. It is expected that such approvals will be received in the near term. On August 9, 2006, the Special Committee of the Board met to continue its ongoing review of the transaction. Shareholders will receive the appropriate documentation in due course in respect of the transaction.

We thank our customers and employees for their loyalty and support.

Michael K. Mansoor
Chairman
September 8, 2006

CONDENSED CONSOLIDATED STATEMENT OF INCOME (USD'000)

	Unaudited Quarter ended July 31, 2006	Unaudited Quarter ended July 31, 2005	Unaudited Period ended July 31, 2006	Unaudited Period ended July 31, 2005	Audited Oct 31, 2005
Interest income	167,403	123,095	461,735	355,922	479,415
Interest expense	(72,431)	(44,332)	(188,747)	(120,415)	(168,664)
Net interest income	94,972	78,763	272,988	235,507	310,751
Operating income	33,910	25,581	99,930	205,645	235,817
	128,882	104,344	372,918	441,152	546,568
Operating expenses	73,814	65,455	214,217	199,099	262,172
Loan losses expenses	2,698	1,155	7,598	4,911	7,308
Intangibles amortisation	1,479	-	1,479	-	-
	77,991	66,610	223,294	204,010	269,480
Income before taxation and minority interest	50,891	37,734	149,624	237,142	277,088
Taxation	6,818	2,342	17,018	11,554	13,973
Income before minority interest	44,073	35,392	132,606	225,588	263,115
Minority interest	1,442	1,199	4,297	3,735	5,180
Net income for the period	42,631	34,193	128,309	221,853	257,935

	Unaudited Period ended July 31, 2006	Unaudited Period ended July 31, 2005	Unaudited Period ended July 31, 2006	Unaudited Period ended July 31, 2005	Audited October 31, 2005
Average number of common shares outstanding (000's)	1,525,176	1,525,176	1,525,176	1,525,176	1,525,176
Net income per common share in cents					
- basic	2.8	2.2	8.4	14.5	16.9
- diluted	2.8	2.2	8.4	14.5	16.9

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (USD'000)

	Unaudited Period ended July 31, 2006	Unaudited Period ended July 31, 2005	Audited October 31, 2005
Net cash (used in)/from operating activities	(539,988)	(9,777)	240,326
Net cash (used in)/from investing activities	(87,602)	27,306	278,752
Net cash used in financing activities	(78,257)	(35,905)	(59,740)
Net (decrease)/increase in cash and cash equivalents for the period	(705,847)	(18,376)	459,338
Cash and cash equivalents acquired as a result of an acquisition	984,783	-	4,701
Effect of exchange rate changes on cash and cash equivalents	(1,917)	(714)	(2,066)
Cash and cash equivalents, beginning of period	2,002,667	1,540,694	1,540,694
Cash and cash equivalents, end of period	2,279,686	1,521,604	2,002,667

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED July 31, 2006 (expressed in thousands of United States Dollars)

Summary of significant accounting policies

are the provision of fiduciary services to its clients.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2005, included in the Group's Annual Report 2005. For a description of the Group's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

The excess of the cost of the acquisition over the fair value of the identifiable assets, liabilities, and contingent liabilities amounted to \$46 million and is included within Intangible Assets on the Balance Sheet. The goodwill on acquisition can change based on the purchase price terms and conditions as highlighted in Note 34 of the consolidated financial statements within the Group's Annual Report 2005. The acquired bank contributed operating profit of \$5.8 million to the Group for the six-month period ended July 31, 2006.

Certain financial information, which is normally included in annual financial statements prepared in accordance with IFRS but not required for interim reporting purposes has been condensed or omitted. Certain reclassifications have been made to the prior periods' financial statements to conform to the current period's presentation. These condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the condensed consolidated financial statements for the interim periods presented.

Transactions affecting year-on-year comparisons

Sale of Republic Bank Limited shares
The comparative period July 31, 2005 includes the gain on sale of Republic Bank Limited shares of \$117 million.

Debt securities in issue
The comparative period July 31, 2005 would include interest expenses for four and a half months as the debt securities were issued in March 2005.

The results of operations for interim periods are not necessarily indicative of results for the entire year.

Related party transactions
The agreement with Barclays Bank PLC whereby the Group would receive an annual payment from Barclays Bank PLC of \$10 million as an incentive to retain deposit placements with Barclays Capital expired on December 31, 2005. The comparative period July 31, 2005 would therefore include income for nine months within operating income.

In preparing these condensed consolidated financial statements, management is required to make estimates and assumptions which affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Intangible assets
Intangible assets comprise goodwill in the amount of \$334 million and customer relationship intangible assets in the amount of \$17 million out of the ABN AMRO acquisition fair value exercise. To date, \$1.5 million of the customer relationship intangible asset has been amortised through the income statement based on useful life of six years.

Acquisitions
The Group acquired 100% of the voting shares of ABN AMRO Bank Curaçao N.V. and its subsidiary ABN AMRO Asset Management (Curaçao) N.V. (jointly referred to hereinafter as "ABN AMRO Curaçao") effective February 1, 2006. ABN AMRO Curaçao's main business activities

CONDENSED CONSOLIDATED BALANCE SHEET (USD'000)

	Unaudited Period ended July 31, 2006	Unaudited Period ended July 31, 2005	Audited October 31, 2005
Assets			
Cash, balances with Central Banks and other banks	2,867,825	2,777,641	2,900,039
Trading securities	696,658	579,175	668,899
Loans and advances to customers	5,433,691	4,437,253	4,630,998
Investment securities	681,138	681,155	646,594
Property and equipment	141,208	149,221	148,956
Other assets	589,200	50,784	266,912
Intangible assets	350,223	305,535	305,535
	10,759,943	8,980,764	9,567,933
Liabilities			
Customer deposits	8,997,704	7,587,065	7,771,743
Other liabilities	366,642	97,168	463,915
Debt securities in issue	200,489	200,054	198,274
	9,564,835	7,884,287	8,433,932
Minority interest	22,371	19,953	21,334
Equity			
Share capital & reserves	773,812	729,096	736,601
Retained earnings	398,925	347,428	376,066
	1,172,737	1,076,524	1,112,667
	10,759,943	8,980,764	9,567,933

Sir Fred Gollop
Director

Richard Venn
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (USD'000)

	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at October 31, 2004	1,297,349	(285,625)	195,379	1,207,103
Net income for the period	-	-	221,853	221,853
Dividends	-	-	(52,512)	(52,512)
Redemption of preference shares	(180,000)	-	-	(180,000)
Transfer to reserves	-	17,292	(17,292)	-
Foreign currency translation	-	(714)	-	(714)
Net change in available-for-sale investments securities	-	(119,206)	-	(119,206)
Balance at July 31, 2005	1,117,349	(388,253)	347,428	1,076,524
Balance at October 31, 2005	1,117,349	(380,748)	376,066	1,112,667
Net income for the period	-	-	128,309	128,309
Dividends	-	-	(68,632)	(68,632)
Transfer to reserves	-	36,818	(36,818)	-
Foreign currency translation	-	(1,917)	-	(1,917)
Net change in available-for-sale investments securities	-	(2,040)	-	(2,040)
Net change in cash flow hedges	-	4,350	-	4,350
Balance at July 31, 2006	1,117,349	(343,537)	398,925	1,172,737

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED

**CHAIRMAN'S REVIEW
FOR THE PERIOD ENDED JULY 31, 2006**

**1) SHAREHOLDINGS OF DIRECTORS
AND CONNECTED PERSONS**

Michael Mansoor	175,506
Sir Fred Gollop	1,416
Ronald Lalonde	1,000
Kyffin Simpson	1,000
Charles Pink	1,000
Sir Allan Fields	1,000

**2) SHAREHOLDINGS OF CONTROLLING PERSONS
(10 LARGEST SHAREHOLDERS)**

CIBC Investments (Cayman) Limited (Cayman)	666,179,631
Barclays Bank PLC (England)	666,001,367
Republic Caribbean Investments Ltd.	65,099,661
National Insurance Scheme (Barbados)	12,819,355
Guardian Life of the Caribbean Limited	10,288,143
Sagicor Life (formerly Life of Barbados)	8,852,049
National Insurance Board - Trinidad & Tobago	7,000,000
Sagicor Equity Fund	6,775,058
Trinidad & Tobago Unit Trust Corporation - FUS	4,425,834
Trin Trust A/C 1088	3,000,000

**3) SHAREHOLDINGS OF OTHER
SENIOR MANAGEMENT**

Horace Cobham	7,366
Julian Murillo	2,886
Sharon Brown	3,366
Juan Corral	51,722
Ian Chinapoo	8,000
Jan-Arne Farstad	16,410
Gerard Borely	2,886

4) Shareholdings of 5% or more of the Company's Issued Share Capital

CIBC Investments (Cayman) Limited	666,179,361	(43.3%)
Barclays Bank PLC	666,001,367	(43.3%)